GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:825
ANSWERED ON:22.11.2007
BLACK MARKETING OF LPG
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is aware that the black marketing of LPG cylinders is on the rise in connivance with LPG agencies;

(b) the details of the complaints received by the Government from the consumers against LPG agencies during the last three years;

(c) the details of the mechanism available to deal with consumer grievances against non- satisfactory services to them;

(d) the details of the action taken/to be taken by the Government against the LPG agenices; and

(e) the steps being taken by the Government to stop black marketing of LPG cylinders and make LPG agencies customer oriented?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a) : No, Sir. However, the possibility of black marketing of subsidized domestic LPG cylinders cannot be ruled out by some unscrupulous elements due to huge difference in the prices of subsidized and non-subsidized LPG.

(b): Public Sector Oil Marketing Companies (OMCs) have reported 226 established cases of complaints of overcharging by the LPG distributors in the country during the last three years and action was taken as per Marketing Discipline Guidelines (MDG).

(c) : Customer Service Cells (CSC) are being operated by OMCs to deal with consumer grievances against un-satisfactory services. Customers can contact these CSCs in person, over telephone or through post to register their complaints. Prompt action is taken on the complaints so that the grievance is redressed. The address and telephone numbers of these CSCs are displayed at the showrooms of all the LPG distributorships appointed by the OMCs in the country.

(d) & (e) : Whenever OMCs receive complaints, these are investigated and if the complaint is established, suitable action is taken against the LPG distributor(s) in accordance with the provisions of the MDG. MDG provides for following action against the distributor:-

Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

Fine of Rs. 50,000 plus the price of LPG diverted at commercial rates for 2nd offence.

Termination of the distributorship for 3rd offence.

In addition to the action taken by the OMCs, State Governments are empowered under the LPG (Regulation of Supply & Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 to take action against black marketing of domestic LPG. Similarly, the Weights and Measures Departments of the States /UTs initiates legal action against those LPG distributors found supplying under-weight LPG cylinders. The State Governments have been alerted from time to time to take steps against the black-marketing / diversion of domestic cylinders for unauthorized usage.

Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity / malpractice to the OMCs.

Further, LPG distributors are also under instructions to ensure 100% weighment of cylinders at their godown before delivery at the customers' premises. In a bid to enhance customer satisfaction levels, distributors in selected markets have been advised by OMCs to provide a spring balance to enable the customers to verify the correctness of the weight of LPG in the cylinder. OMCs have introduced this scheme in major markets of the country.

The officials of OMCs carry out randum checks at distributors godown, delivery points, as well as en-route to ensure that no pilferage takes place. The distributors of OMCs are under strict instructions to check the weight of cylinders at their godowns before delivery, and only cylinders with the specified weight are to be delivered to the customers. The distributors have also been instructed to ensure that the seals are verified & shown to the customers at the time of delivery. In case any under-weight cylinder is received by the

customer, such cylinders are replaced with a fresh refill cylinder without any charges levied by the OMCs.